

Bingo is defined as the form of lottery authorized by the Act in which prizes are awarded on the basis of designated numbers or symbols on a card for which consideration has been paid, conforming to numbers or symbols selected at random. See 86 Ill. Adm. Code 430.100. (This is a GIL.)

April 13, 2006

Dear Xxxxx:

This letter is in response to your letter dated October 3, 2005, which has been referred to out office, in which you request information. The Department issues two types of letter rulings. Private Letter Rulings ("PLRs") are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department's regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter ("GIL") is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120. You may access our website at [www.tax.illinois.gov](http://www.tax.illinois.gov) to review regulations, letter rulings and other types of information relevant to your inquiry.

The nature of your inquiry and the information you have provided require that we respond with a GIL. In your letter you have stated and made inquiry as follows:

Per our telephone discussion this past Friday, this letter outlines how a particular form of gaming is currently being offered in Illinois and requests whether it is lawful before we proceed with our own product placements.

Certain of our employees witnessed a game commonly known as 'Quick-shot Bingo' being offered at a location called ABC. The player terminals state that they were manufactured by a company called XYZ.

The terminals themselves appear to be stand alone (as opposed to multiple player terminals competing for the same prize), but do not possess a bill acceptor or a method of payback. Moreover, the terminals use the same ball call information for every game --  
- it is only the bingo cards that change each game.

A player initiates play by opening an account via a point of sale attendant. Once the account is established and funded, the player logs-on to a player terminal and the player's credits appear on screen. The player uses these credits to purchase bingo cards at prices ranging from 5 cents to 25 cents per card. After selecting which cards to play, the player hits a button which matches the previously generated bingo ball call

information to the bingo cards in play, and the terminal automatically daubs the number on the cards as they are 'called'.

Each player is playing against a pay table that is mapped to how many ball calls it takes for the player to achieve a particular pre-determined pattern on the bingo card. For example only, if a player achieves a straight line pattern within the first ten ball calls, then the system would award the player X number of credits. Additionally, the more expensive the bingo card in play, the higher the payback. If more than one terminal were installed at a particular location; it is theoretically possible that there could be multiple winners with the same bingo cards being paid the same prize for a particular game --- remember, each player competes against a pay table.

We understand that Illinois allows for both 'bingo' and 'raffle' to be played in its market, and yet it regulates those games very differently. Therefore, please advise if this form of gaming is suitable under either the bingo or the raffle laws. Our particular product is highly configurable, so we should be able to find an appropriate means of configuration as long as the concept itself is acceptable.

Please contact me with any questions or if any further information is required.

#### **DEPARTMENT'S RESPONSE:**

A bingo "game" consists of the calling of numbers from one to seventy-five, one at a time without replacement, until one or more winners are determined by the completion of one or more predetermined patterns of numbers on a bingo card. See 86 Ill. Adm. Code 430.160(b).

The facts recited in your request indicate that the bingo player "hits a button which matches the previously generated bingo ball call information to the bingo cards in play." In addition, you state that "the terminals use the same ball call information for every game --- it is only the bingo cards that change each game."

For purposes of the Bingo License and Tax Act, "bingo" is "[t]he form of lottery authorized by the Act in which prizes are awarded on the basis of designated numbers or symbols on a card for which consideration has been paid, conforming to numbers or symbols selected at random." See 86 Ill. Adm. Code 430.100.

From the limited information provided, it would appear that the games referred to in your request do not satisfy the standards as set out under the Bingo License and Tax Act. As recited above, the bingo numbers are called one at a time at random without replacement until they match designated numbers or symbols on a card, not vice-versa.

The Department is unable to offer information regarding the play of raffles, as the Department does not administer the Raffles Act (230 ILCS 15/0.01 et seq.). Please consult with the local law enforcement agencies at the locale where you intend to play the games for terms and conditions governing raffle issues.

I hope this information is helpful. If you require additional information, please visit our website at [www.tax.illinois.gov](http://www.tax.illinois.gov) or contact the Department's Taxpayer Information Division at (217) 782-3336. If you are not under audit and you wish to obtain a binding PLR regarding your factual situation, please submit a request conforming to the requirements of 2 Ill. Adm. Code 1200.110 (b).

Very truly yours,

Edwin E. Boggess  
Associate Counsel

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